centers and their ancillary ligands and the standard variations such as concentration and temperature. These experiments will be conducted to determine the rates of hydrogen atom abstraction from H–M, for a variety of transition metal hydride complexes. Application received by Commissioner of Customs: November 13, 1986.

Docket No.: 87–042. Applicant: National Institutes of Health, Division of Procurement, Building 31, Room 3C–07, Bethesda, MD 20892. Instrument: FTI-Spectrophotometer, Model DA3.16. Manufacturer: Bomem, Canada. Intended use: The instrument will be used to obtain the infrared vibrational spectra of biological materials. Specifically, both model and real biological lipid-protein bilayer assemblies will be investigated spectroscopically in an effort to elucidate the conformational, dynamical, thermodynamical and functional properties of a variety of cellular membrane systems. Application received by Commissioner of Customs: November 14, 1986.

Docket No.: 87–043. Applicant: NOAA/National Marine Fisheries Service, 3209 Frederic Street, Pascagoula, MS 39567. Instrument: Towed Underwater Submersible System, Model MANTA. Manufacturer: Sea–I Research Canada Ltd., Canada. Intended use: The instrument will be used for a continuing investigation of the potential of large mesh midwater trawls and high opening bottom trawls as sampling and harvesting gear for coastal pelagics in offshore waters. Application received by Commissioner of Customs: November 14, 1986.

Docket No.: 87–044. Applicant: Carnegie-Mellon University, 4400 Fifth Avenue, Pittsburgh, PA 15213. Instrument: FTI-Spectrophotometer, Model DA3.16. Manufacturer: Bomem Inc., Canada. Intended use: The instrument will be used in conjunction with a krypton-ion laser for studies of electronic states of molecules which are not observable with conventional spectroscopy. Various types of molecules will be investigated, ranging from biologically relevant proteins such as bacteriorhodopsin to molecules which exhibit well defined spectroscopic properties such as benzene. Application received by Commissioner of Customs: November 14, 1986.

Docket No.: 87–046. Applicant: The State University of New York at Stony Brook, Stony Brook, NY 11794. Instrument: Mass Spectrometer, Model MS 80 with Accessories. Manufacturer: Kratos Analytical, United Kingdom. Intended use: The instrument is intended to be used for mass spectrometer analyses in several faculty research programs which will include but is not limited to the following programs in the chemical and biomedical sciences:

(1) Synthesis of carcinogen-modified deoxynucleosides for incorporation into short sections of DNA,

(2) Studies of naturally-occurring antibiotic thermorubin (I),

(3) Synthesis of fluoro-arachidonic acids,

(4) Characterization of synthetic analogs for the active sites of metalloproteins and heterogeneous metal-sulfide catalysts,

(5) Analysis of the biosynthesis and processing of a neuropeptide precursor,

(6) Structural investigations of biological membranes,

(7) Novel approaches to chiral synthesis of peptides,

(8) New chemistry of azetidines and azetidin-2-ones and

(9) Synthetic studies of organofluorine compounds of biological interest.

In addition, the instrument will be used for course instruction in graduate and undergraduate courses in chemistry and biochemistry.

Application received by Commissioner of Customs: November 17, 1986.

Frank W. Creel,

Director, Statutory Import Programs Staff.

[FR Doc. 86–27776 Filed 12–10–86; 8:45 am]

BILLING CODE 3510-DS-M

[C–201–406]

Fabricated Automotive Glass From Mexico; Final Results of Countervailing Duty Administrative Review

AGENCY: International Trade Administration/Import Administration, Commerce.

ACTION: Notice of final results of countervailing duty administrative review.

SUMMARY: On July 14, 1986, the Department of Commerce published the preliminary results of its administrative review of the countervailing duty order on fabricated automotive glass from Mexico. The review covers the period October 24, 1984 through December 31, 1985 and 22 programs.

We gave interested parties an opportunity to comment on the preliminary results. After considering all of the comments received, the Department has determined the total bounty or grant during the period of review to be 2.45 percent *ad valorem* for 1984 and 0.17 percent *ad valorem* for 1985, the latter a rate the Department considers to be *de minimis*.

EFFECTIVE DATE: December 11, 1986.

FOR FURTHER INFORMATION CONTACT: Christopher Beach or Paul McGarr, Office of Compliance, International Trade Administration, U.S. Department of Commerce, Washington, DC 20230; telephone: (202) 377–2786.

SUPPLEMENTARY INFORMATION:

Background

On January 14, 1985, the Department of Commerce ("the Department") published in the **Federal Register** (50 FR 1906) a final determination and countervailing duty order on fabricated automotive glass from Mexico. On January 2, 1986, two Mexican exporters, Cristales Inastillables de Mexico, S.A. ("Crinamex"), and Vitro Flex, S.A., requested in accordance with § 355.10 of the Commerce Regulations an administrative review of the order. We published the initiation on February 10, 1986 (51 FR 5751) and the preliminary results on July 14, 1986 (51 FR 25380). We have now completed that administrative review in accordance with section 751 of the Tariff Act of 1930 ("the Tariff Act").

Scope of Review

Imports covered by the review are shipments of Mexican fabricated automotive glass, including tempered and laminated automotive glass. Such merchandise is currently classifiable under items 544.3100 and 544.4120 of the Tariff Schedules of the United States Annotated.

The review covers the period October 24, 1984 through December 31, 1985 and 22 programs: (1) FOMEX; (2) extra-CEDI; (3) Reembolso; (4) CEPROFI; (5) FICORCA II; (6) CEDI; (7) DIMEX; (8) FOGAIN; (9) FONEI; (10) import duty reductions and exemptions; (11) NDP preferential discounts; (12) Article 94 of the Banking Law; (13) export services offered by IMCE; (14) preferential state investment incentives; (15) state tax incentives; (16) FOMIN; (17) FIDEIN; (18) accelerated and immediate depreciation allowances; (19) Bancomext loans; (20) NAFINSA loans; (21) delay of payments on loans; and (22) delay of payments of fuel charges to PEMEX.

Analysis of Comments Received

We gave interested parties an opportunity to comment on the preliminary results. At the request of the petitioner, PPG Industries, Inc., we held a public hearing on September 5, 1986.

Comment 1: Crinamex argues that the Department overstated the benefit from

a FOMEX pre-export loan that the company obtained on September 12, 1984, by basing the benefit on the entire amount of the loan rather than on the portion of the loan attributable to exports to the United States.

Department's position: We disagree. We verified the amount of the loan attributable to exports to the United States and used that amount, which was greater than the figure given in the questionnaire response, to calculate the benefit.

Comment 2: Crinamex and Vitro Flex contend that the Department erroneously attributed to 1984 the benefit from FOMEX pre-export loans obtained in 1984 but repaid in 1985. Since the "cash-flow" effect is realized when the interest is paid, the benefit should be attributed to 1985 exports.

Department's position: We agree and have corrected our calculations. (*See,* Department's position on Comment 4).

Comment 3: Crinamex and Vitro Flex argue that the Department overstated the benefit from FOMEX export loans obtained in 1984 by using an incorrect value for exports to the United States during that period.

Department's position: We agree and have corrected our calculations. (*See,* Department's position on Comment 4).

Comment 4: PPG argues that the Department understated the benefit from FOMEX loans by not using effective interest rates as benchmarks. In its preliminary determination, the Department stated that it had found that compensating balances appeared to be a normal requirement for both commercial loans and non-commercial loans, but that it did not have sufficient information to measure effective interest rates. PPG argues that there is sufficient information on the record to measure effective interest rates and that the Department is required by law and its own policy to use effective interest rates if possible.

Department's position: We agree. We now believe that we have sufficient information to measure benefits using effective interest rates. The Banco de Mexico ("the Bank") publishes in its *Indicadores Economicos* ("I.E.") both nominal and effective interest rates. Using data received from a sample of Mexican banks, the Bank bases the nominal I.E. rates on the Costo Porcentual Promedio ("CCP"), the average cost of funds to those banks, plus a spread that reflects a risk premium.

The effective I.E. interest rates are based on data received from a sample of companies representing a cross-section of the economy. These effective rates include finance charges, *e.g.*, commissions, fees for opening a line of credit, fees for credit renewal, prepayment of interest, compensating balances, etc., and may also include compounding of interest, since many of the loans included in the Bank's sample have short (2–3 month) terms. Both the nominal and effective I.E. interest rates are weighted averages of the rates reported to the Bank by the banks and companies in the respective samples.

To determine the effective interest rate benchmark for 1984 peso loans, we used the I.E. effective rates published each month and calculated an average annual effective rate. In 1985, the Bank stopped publishing the I.E. rates. Therefore, we calculated the average spread between the CPP rate and the I.E. effective interest rates for the period 1982 through 1984, the only period for which we have I.E. rates. Our effective interest rate benchmark for 1985 was the sum of this average spread and the average CPP rates for 1985. For the FOMEX pre-export loans, we found no evidence of finance charges of any kind. Since interest on these loans is paid at the end of the term, we consider the nominal preferential rate to be the same as the effective preferential interest rate.

To determine the effective interest rate benchmark for 1985 dollar loans, we used the quarterly weighted-average effective interest rates published in the Federal Reserve Bulletin. These weighted-average effective interest rates are based on data, for fixed rate loans under one million dollars, received from a survey of gross loan extensions made by various banks during one week of each quarter. The effective rates include the various terms of the loans in addition to the interest rate. On FOMEX export (dollar) loans, the interest is prepaid. Since we have no evidence of any charges on these loans other than interest, we calculated the effective interest rate by using the nominal rate and taking into account the cost of prepayment of interest. For 1984 dollar loans, there was no comparable data on effective interest rates in the Federal Reserve Bulletin. As a result, we lack sufficient information to measure an effective interest rate benchmark and are using a nominal interest rate benchmark and comparing it to a nominal preferential interest rate.

By using effective interest rates to the extent possible and making the adjustments noted in Comments 2 and 3, we now find the benefit from FOMEX loans to be 2.45 percent *ad valorem* for 1984 and 0.17 percent *ad valorem* for 1985.

Comment 5: PPG argues that the Department was in error in its determination concerning the existence of the extra-CEDI program (CEDI's provided to export consortia). PPG contends that the extra-CEDI program still exists and that during the period of review, the Mexican government continued to grant extra-CEDI's to such export consortia. Further, PPG claims that the Mexican automotive glass industry benefits from both CEDI's and extra-CEDI's by means of a pass-through from Vitro, S.A., the parent company of Crinamex and Vitro Flex, and from Fomento de Comercio Exterior ("FCE"), an export consortium.

Department's position: Regardless of the existence of a program called "extra-CEDI" or the continued availability of CEDI's to export consortia, we verified that Vitro, S.A., as a holding company and the parent company of the two exporting companies, did not receive CEDI's during the period of review. We also verified that FCE, which is a subsidiary of Vitro, S.A., and which is involved strictly with promotional activities, had no direct connection with exports of automotive glass to the United States.

Comment 6: PPG argues that the Department failed to address the countervailability of benefits received through the FICORCA I program despite the submission of significant supplemental information showing that benefits under FICORCA I are not "generally available." PPG states that: (1) The Mexican government pre-selected beneficiaries; (2) four major prerequisites to participation in FICORCA I serve to limit the availability of the program; and (3) the *de facto* general availability test is not met in this case, where, out of 1,200 companies that participate in FICORCA I, 23 companies account for 63 percent of total coverage. In addition, PPG contends that the *de jure* and *de facto* general availability test requirements have been modified, superseding the Department's earlier determination that this program is not countervailable. The new requirements should be taken into account along with the above information to determine that FICORCA I is not generally available.

Department's position: We did not include the FICORCA I program in this review because we found it not countervailable in the final determination on float glass from Mexico (49 FR 23097, June 4, 1984). We have reviewed the new information presented by PPG and continue to uphold our determination that the FICORCA I program is not provided to a specific enterprise or industry, or group of enterprises or industries, and that the program is not countervailable. (*See,*

preliminary results of countervailing duty administrative review on unprocessed float glass from Mexico (51 FR 37319, October 21, 1986).)

Comment 7: PPG argues that the Department's verification during the current review was inadequate because it failed to address whether Vitro, S.A., the parent company of both Crinamex and Vitro Flex, received countervailable benefits. These benefits may have directly or indirectly benefited the manufacture, production or export of automotive glass.

Department's position: We disagree. We verified Vitro, S.A.'s federal income tax statements for both 1984 and 1985 and found that it did not receive benefits under any of the various federal tax incentive programs (*e.g.*, CEDI, CEPROFI). We further verified that Crinamex and Vitro Flex received no cash transfers from Vitro, S.A., or FCE and that all cash transfers from Crinamex and Vitro Flex to Vitro, S.A., or FCE were for various services provided.

Comment 8: PPG contends that the Department failed to use the proper time periods for measuring countervailable benefits. The Mexican automotive glass producers have allegedly discontinued receiving benefits as of February 7, 1985. The Department should therefore revise the time periods analyzed as follows: November 1, 1984 through February 7, 1985 (the date of renunciation of benefits), and February 7, 1985 to December 31, 1985. PPG argues that this method would correct the current distorted measure of the level of subsidization. PPG cites *Ceramic Tile from Mexico* (49 FR 9919 (1984)), and *Offshore Platform Jackets and Piles from Korea* (51 FR 11799 (1986)), among other cases, where the Department has used time periods that were not based on a calendar or fiscal year.

Department's position: We disagree. We have traditionally separated the period of review according to calendar year, or fiscal year where necessary, in order to facilitate the collection of information. We believe that this standard provides consistency and predictability to both the petitioners and respondents, whereas PPG's choice of periods is arbitrary.

In certain cases, we have made exceptions to this rule due to unusual circumstances but have clearly stated in each case that such action does not represent a change in Department policy. In *Offshore Platform Jackets and Piles from Korea*, we lacked a period representative of the total subsidy bestowed on all exports of the merchandise. We could only tie specific benefits from specific subsidy programs to each platform exported over a two-year period. In *Ceramic Tile from Mexico*, we started the review period on February 23, 1982 because that was the date of the preliminary determination, and we lack authority to assess duties prior to that date.

As another example, in *Sugar Content of Certain Articles from Australia* (50 FR 27330 (1985)), we calculated two separate subsidy rates within the calendar year review period in response to a program-wide change in an export sugar rebate program. We found it necessary to set two separate rates because the rebate category covering the merchandise under review changed in the middle of the review period.

At the outset of this review, we clearly identified the time period for the review in our questionnaire. Furthermore, the calendar year coincides with the fiscal year of the two companies involved. Adjusting the period of review as the petitioners suggest, with no compelling reason, would set a precedent by which either party could arbitrarily manipulate the time period set for a review in order best to serve its own interests. One could spread a given benefit over a long enough period of time to obtain a *de minimis* rate. Likewise, one could take a given benefit and sufficiently limit the time period to obtain an excessive rate. Such a precedent would severely undermine the Department's policy, particularly the *de minimis* standard.

Comment 9: Crinamex and Vitro Flex contend that, with the implementation of the "Understanding Between the United States and Mexico Regarding Subsidies and Countervailing Duties" ("the Understanding") on April 23, 1985, the United States no longer has the authority to impose countervailing duties on duty-free articles from Mexico (including fabricated automotive glass) covered by existing orders absent an affirmative injury determination by the International Trade Commission ("ITC"). The Understanding creates an international obligation for the United States to grant the injury test prior to the imposition of countervailing duties on any Mexican products that are duty-free. The Department should refer the case to the ITC for an injury determination or revoke the countervailing duty order. In two instances involving duty-free products covered by section 303 countervailing duty orders, *Certain Fasteners from India* (47 FR 44129, October 6, 1982) and *Carbon Steel Wire Rod from Trinidad and Tobago* (50 FR 19561, May 9, 1985), the Department has refused or preliminarily refused to impose duties. The circumstances in those cases are very similar to those of fabricated automotive glass from Mexico and should serve as precedents.

Contrary to the Department's stated belief that the Understanding creates an international obligation requiring the United States to grant an injury test only prospectively, the Understanding does require the injury test for pre-existing orders. The Department's distinction between "investigations in progress" (as used in Article 5 of the Understanding) and existing orders renders Article 5 of the Understanding superfluous in light of section 102(a) of the Trade Agreements Act of 1979, since section 102(a) specifically provides for the application of an injury test for cases that have not yet resulted in the issuance of countervailing duty orders.

Finally, in the final results of administrative review on certain iron-metal construction castings from Mexico (51 FR 9698, March 20, 1986) ("the castings final"), the Department distinguished between the "international obligation" stemming from the Understanding with Mexico and that existing with India and Trinidad and Tobago. The Department stated that India and Trinidad and Tobago were already signatories to the GATT when the product covered by an order became duty-free.

According to the Department, the reverse is true in this case, where duty-free status already existed at the time of the order but no "international obligation" of the United States existed. However, Crinamex and Vitro Flex point out that since the castings final was published, Mexico has become a member of the GATT, effective August 24, 1986. This now creates an "international obligation" of the United States to grant Mexico the injury test in section 303 cases on duty-free goods.

However, PPG states that Mexico's accession to the GATT does not provide retroactive application of the injury test for outstanding orders on duty-free merchandise. Mexico's accession to the GATT did not occur prior to issuance of an order in this case or during the current review period. PPG contends that accession to the GATT does not provide retroactive benefits. There is no language in Article VI of the GATT or in the U.S. countervailing duty law that supports a retroactive application of the injury test for outstanding orders on duty-free mechandise. Nor is there supportive language for revocation of outstanding countervailing duty orders for countries that were not signatories to the GATT at the time of issuance of the countervailing duty order. Further, revocation in this instance would be

contrary to the intent of Congress and would grant Mexico greater rights than countries that have long since been signatories to the GATT.

Department's position: As explained in the castings final, we believe that we lack the authority to revoke this countervailing duty order on the basis of the Understanding. We confirmed with the principal U.S. negotiators that the intent of Article 5 was to exclude from the application of the Understanding, and hence the application of "country under the Agreement" status, orders existing before April 23, 1985.

We are currently considering the issue of whether Mexico's accession to the GATT impinges on our authority to impose countervailing duties on duty-free products from Mexico. Since Mexico's accession became effective on August 24, 1986, our decision will not affect entries covered by this review, which runs through December 31, 1985.

Final Results of Review

After reviewing all of the comments received, we determine the total bounty or grant to be 2.45 percent *ad valorem* for 1984, and 0.17 percent *ad valorem* for 1985. The Department considers any rate less than 0.50 percent *ad valorem* to be *de minimis*.

The Department will instruct the Customs Service to assess countervailing duties of 2.45 percent of the f.o.b. invoice price on any shipments of this merchandise entered, or withdrawn from warehouse, for consumption on or after October 24, 1984, and exported on or before December 31, 1984. The Department will also instruct the Customs Serice not to assess countervailing duties for shipments of this merchandise exported on or after January 1, 1985 and on or before December 31, 1985.

Further, the Department will instruct the Customs Service to waive cash deposits of estimated countervailing duties, as provided by section 751(a)(1) of the Tariff Act, on all shipments of the merchandise entered, or withdrawn from warehouse, for consumption on or after the date of publication of this notice. This deposit waiver shall remain in effect until publication of the final results of the next administrative review.

This administrative review and notice are in accordance with seciton 751(a)(1 of the Tariff Act (19 U.S.C. 1675(a)(1)) and § 355.10 of the Commerce Regulations (19 CFR 355.10).

December 4, 1986.

Gilbert B. Kaplan,

Deputy Assistant Secretary, Import Administration.

[FR Doc. 86-27775 Filed 12-10-86; 8:45 am]

BILLING CODE 3510-DS-M

[Case No. OEE-3-86]

Bollinger GmbH et al.; Order Renewing Temporary Denial of Export Privileges

In the matter of Bollinger GmbH, Roseggergasse 34, 1160 Vienna, Austria; Leopold Hrobsky, Donaufelderstrasse 38, Stg. 4, Apt. 4, 1210 Vienna, Austria; Dietmar Ulrichshofer, with addresses at Kirchenstrasse 1, 3061 Ollersbach, Austria; and c/o Bollinger GmbH, Roseggergasse 34, 1160 Vienna, Austria, and Vrablicz and Company, Steinergasse 11, 1170 Vienna, Austria; Respondents.

The Office of Export Enforcement, International Trade Administration, United States Department of Commerce (Department), pursuant to the provisions of § 388.19 of the Export Administration Regulations, 15 CFR Parts 368–399 (1986) (the Regulations), issued pursuant to the Export Administration Act of 1979, 50 U.S.C. app. sections 2401–2420 (1982), as amended by the Export Administration Amendments Act of 1985, Pub. L. 99–64, 99 Stat. 120 (July 12, 1985) (the Act), has asked the Deputy Assistant Secretary for Export Enforcement to renew an order temporarily denying all United States export privileges to Dietmar Ulrichshofer; Bollinger GmbH, which is owned by Dietmar Ulrichshofer; Leopold Hrobsky; and, Vrablicz and Company (hereinafter collectively referred to as respondents). Ulrichshofer, who is subject to an outstanding indictment in the U.S. District Court for the Central District of California for conspiracy to violate U.S. export controls and is a fugitive from U.S. justice, resides in Ollersbach, Austria; all of the other respondents reside in Vienna, Austria. The initial order was issued on August 12, 1986 (51 FR 29509, August 18, 1986) and renewed on October 11, 1986 (51 FR 37210, October 20, 1986).

The Department states that, as a result of an ongoing investigation, it has reason to believe that respondents have conspired and acted in concert to violate the Act and the Regulations. The Department has reason to believe that the purpose of the conspiracy is to obtain U.S.-origin goods from third countries for ultimate destination in proscribed countries, without obtaining the required authorization from the Department for such shipments. The Department has reason to believe that respondents have participated in the unauthorized reexport of U.S.-origin commodities, including computer equipment and peripherals, from Austria to proscribed destinations, without authorization from the Department. Indeed, the Department has provided a statement by the U.S. Customs Attache in Austria that his aspect of the investigation has revealed that respondent Vrablicz, on August 5, 1986, reexported such commodities to Czechoslovakia, which commodities were "owned" by respondent Bollinger.[1] The Department further shows that a statement given by the Customs Attache indicates that respondents currently have in their possession and control in Vienna, Austria, additional U.S.-origin equipment which requires authorization from the Department to permit its reexport from Austria. The Department has shown that there is a presumption of denial for any request seeking authorization to reexport this U.S.-origin equipment to proscribed destinations and states that, in any event, no such authorization has been requested. Nevertheless, the Department has reason to believe that respondents may attempt to reexport these U.S.-origin goods to proscribed destinations.

The Department states that the investigation gives it reason to believe that the violations under investigation were deliberate and covert. The Department has shown that respondents Ulrichshofer and Hrobsky directed sales of commodities covered by the investigation to the Soviet Bloc. The Department has also shown that Ulrichshofer is involved with other parties in reexporting U.S.-origin commodities from Austria to proscribed destinations without authorization from the Department. Further, since the respondents currently have possession and control of U.S.-origin goods subject to the Act and the Regulations, the Department states that violations are likely to occur again. The Department submits that renewal of the temporary denial order naming respondents is necessary for the purpose of giving notice to companies in the United States and abroad to cease dealing with respondents in goods and technical data subject to the Act and the Regulations in order to reduce the likelihood that respondents will continue to engage in

[1] In a letter to the Deputy Assistant Secretary for Export Enforcement, dated August 28, 1986, counsel for Vrablicz acknowledged that it has carried out shipping services for Bollinger on several occasions, but denied liability, under Austrian law, for any violation of the Export Administration Act or the Regulations.

activities which are in violation of the Act and the Regulations.[2]

Therefore, based on the showing made by the Department, I find that renewal of the order temporarily denying export privileges to respondents is necessary in the public interest to prevent an imminent violation of the Act and the Regulations and to give notice to companies in the United States and abroad to cease dealing with respondents in goods and technical data subject to the Act and the Regulations in order to reduce the substantial likelihood that respondents will continue to engage in activities which are in violation of the Act and the Regulations. None of the respondents filed an opposition to the Department's November 20, 1986 request for the renewal of the temporary denial order.

Accordingly, it is hereby Ordered:

I. All outstanding validated export licenses in which any respondent appears or participates, in any manner or capacity, are hereby revoked and shall by returned forthwith to the Office of Export Licensing for cancellation.

II. The repondents, their successors or assignees, officers, partners, representatives, agents, and employees hereby are denied all privileges of participating, directly or indirectly, in any manner or capacity, in any transaction involving commodities or technical data exported or to be exported from the United States in whole or in part, or that are otherwise subject to the Regulations. Without limiting the generality of the foregoing, participation, either in the United States or abroad, shall include participation, directly or indirectly, in any manner or capacity: (a) As a party or as a representative of a party to any export license application submitted to the Department, (b) in preparing or filing with the Department any export license application or reexport authorization, or any document to be submitted therewith, (c) in obtaining or using any validated or general export license or other export control document, (d) in carrying on negotiations with respect to, or in receiving, ordering, buying, selling, delivering, storing, using, or disposing of, in whole or in part, any commodities or technical data exported from the United States, or to be exported, and (e) in financing, forwarding, transporting, or other servicing of such commodities or technical data. Such denial of export privileges shall extend only to those commodities and technical data which are subject to the Act and the Regulations.

III. After notice and opportunity for comment, such denial may be made applicable to any person, firm, corporation, or business organization with which any respondent is now or hereafter may be related by affiliation, ownership, control, position of responsibility, or other connection in the conduct of trade or related services.

IV. No person, firm, corporation, partnership or other business organization, whether in the United States or elsewhere, without prior disclosure to and specific authorization from the Office of Export Licensing shall, with respect to U.S.-origin commodities and technical data, do any of the following acts, directly or indirectly, or carry on negotiations with respect thereto, in any manner or capacity, on behalf of or in any association with any respondent or any related party, or whereby any respondent or any related party may obtain any benefit therefrom or have any interest or participation therein, directly or indirectly: (a) Apply for, obtain, transfer, or use any license, Shipper's Export Declaration, bill of lading, or other export control document relating to any export, reexport, transshipment, or diversion of any commodity or technical data exported in whole or in part, or to be exported by, to, or for any respondent or any related party denied export privileges; or (b) order, buy, receive, use, sell, deliver, store, dispose or, forward, transport, finance, or otherwise service or participate in any export, reexport, transshipment, or diversion of any commodity or technical data exported or to be exported from the United States.

V. In accordance with the provisions of section 388.19(e) of the Regulations, any respondent may, at any time, appeal this order by filing with the Office of Administrative Law Judges, U.S. Department of Commerce, Room H-6716, 14th Street and Constitution Avenue NW., Washington, DC 20230, a full written statement in support of the appeal.

VI. This order is effective December 10, 1986 upon expiration of the October 11, 1986 Order and shall remain in effect for 60 days.

VII. In accordance with the provisions of § 388.19(d) of the Regulations, the Department may seek renewal of this temporary denial order by filing a written request not later than 20 days before the expiration date. Any respondent may oppose any request to renew this temporary denial order by filing a written submission with the Deputy Assistant Secretary for Export Enforcement, which must be received not later than seven days before the expiration date of this order.

A copy of this order shall be served upon each respondent and published in the **Federal Register.**

Dated: December 5, 1986.

Theodore W. Wu,

Deputy Assistant Secretary for Export Enforcement.

[FR Doc. 86-27856 Filed 12-10-86; 8:45 am]

BILLING CODE 7020-02-M

[2] In yet another letter to the Deputy Assistant Secretary for Export Enforcement, dated September 29, 1986, respondent Vrablicz, through counsel, denied liability, under Austrian law, and stated that there is "close cooperation and assistance" (presumably between Vrablicz and U.S. authorities) in the clarification of the transactions which gave rise to this Order. It is fitting to note here that whether respondent Vrablicz is culpable under foreign (Austrian) law, is not controlling--even if relevant--on the resolution of the question under consideration, that is, whether renewal of temporary denial order against Vrablicz and certain other respondents "is necessary in the public interest to prevent an imminent violation" of the Act and the Regulations. While cooperation with appropriate U.S. authorities on the part of a respondent of a temporary denial order could have bearing on the issue of "imminent violation", it is not dispositive of the Department's request for renewal of the order. In this regard, the sworn statement of U.S. Customs Attache Urbanski, on August 21, 1986, which was provided by the Department in support of its request for renewal, casts doubt on Vrablicz's claim of cooperation. In any event, if the Department (Office of Export Enforcement) should show that *it* is satisfied by any effort of cooperation on the part of Vrablicz *and* that a temporary denial of export privileges is no longer necessary against Vrablicz, this Order could be accordingly modified.

[C-412-020]

Stainless Steel Plate From the United Kingdom; Final Results of Countervailing Duty Administrative Review

AGENCY: International Trade Administration, Import Administration, Commerce.

ACTION: Notice of Final Results of Countervailing Duty Administrative Review.

SUMMARY: On September 25, 1986, the Department of Commerce published the preliminary results of its administrative review of the countervailing duty order on stainless steel plate from the United Kingdom. The review covers the period February 10, 1983 through March 31, 1984 and four programs.

We gave interested parties an opportunity to comment on the preliminary results. After reviewing all of the comments received, we have determined the net subsidy for the period of review to be 30.11 percent *ad valorem.*

EFFECTIVE DATE: December 11, 1986.

FOR FURTHER INFORMATION CONTACT: Paul Marselian or Paul McGarr, Office of Compliance, International Trade Administration, U.S. Department of Commerce, Washington, DC 20230; telephone: (202) 377–2786.

SUPPLEMENTARY INFORMATION:

Background

On September 25, 1986, the Department of Commerce ("the Department") published in the **Federal Register** (51 FR 34112) the preliminary results of its administrative review of the countervailing duty order on stainless steel plate from the United Kingdom (48 FR 28690, June 23, 1983). The Department has completed that administrative review in accordance with section 751 of the Tariff Act of 1930 ("the Tariff Act"). We revoked this order effective March 1, 1986 (51 FR 29144, August 14, 1986).

Scope of Review

Imports covered by the review are shipments of U.K. stainless steel plate. Such merchandise is currently classifiable under items 607.7605 and 607.9005 of the Tariff Schedules of the United States Annotated.

The review covers the period February 10, 1983 through March 31, 1984 and four programs: (1) Public dividend capital and new capital; (2) National Loan Fund loans and loan conversions; (3) regional development grants; and (4) Iron and Steel Industry Training Board grants.

Analysis of Comments Received

We invited interested parties to comment on the preliminary results. We received written comments from the petitioners, Allegheny Ludlum Steel Corporation, Armco, Inc., Jessop Steel Company, LTV Specialty Steels, Inc., Cyclops Corporation, Washington Steel Corporation, and the United Steelworkers of America, and the respondents, British Steel Corporation and British Steel Corporation, Inc. ("BSC").

Comment 1: BSC claims that, by focusing exclusively on considerations that would motivate the investment decisions of an outside investor, the Department incorrectly determined that BSC was not equityworthy during the review period. Unlike an outside investor, the British government, as the sole investor, had to consider taking steps to minimize BSC's losses and to encourage the company's return to profitability.

Department's Position: Section 771(5) of the Tariff Act defines as a subsidy "(t)he provision of capital, loans, or loan guarantees on terms inconsistent with commercial considerations," when provided to a specific enterprise or industry or group of enterprises or industries. To determine whether equity infusions constitute subsidies, we apply the standards set forth in the Subsidies Appendix to the notice of final affirmative countervailing duty determination and order on certain cold-rolled carbon steel flat-rolled products from Argentina (49 FR 18006, April 26, 1984) ("the Subsidies Appendix").

We first attempt to compare the price paid by the government for a share in the company with the market price of that share. Where there is no market price for the share, as in this case where the government is the sole owner of the company, the Department places itself in the position of a private investor assessing the prospects of the company at the time of the investment.

When deciding whether to invest, a private investor will assess the current financial position of the firm and consider its past performance. He will look upon any past investments, including his own, as sunk costs, irrelevant to his analysis of whether to make additional investments. His decisions are made at the margin; they concern maximizing the return on incremental outlays. His decision concerns future cash flows which are anticipated to occur, or not occur, based on actions taken today. If the company shows the ability to generate a reasonable rate of return on equity within a reasonable period of time, a private investor might make the investment.

BSC's argument focuses on what steps the British government, as the sole investor, should reasonably have taken. The fact that the British government's equity infusions during the review period may have been "rational" from its viewpoint has no bearing on how a private outside investor would, at that time, have assessed the prospects for a reasonable rate of return within a reasonable period of time.

The tests that BSC proposes as a measure of equityworthiness may be useful tools for corporate management in deciding how long to operate a loss-incurring company, or in evaluating proposed projects, but they are not relevant to the "reasonable investor" test.

Comment 2: BSC contends that the Department's review of the company's financial data fails to take into account the improvement in the company's financial picture in the review period. Various financial indicators had improved sufficiently during the review period so as to belie a finding that BSC was an unreasonable commercial investment. In particular, the current ratio, the return on equity, the inventory turnover rate, and labor productivity all showed healthy improvements during the review period. What's more, these positive financial trends continued to be strong in the years after the review period. According to BSC, the ability of major integrated steel producers in the United States to attract equity investment and obtain credit during the review period—a time during which the U.S. producers recorded financial results similar to, or worse than, those of BSC—undermines the Department's finding that investment in BSC during the review period was inconsistent with commercial considerations.

Department's Position: We review various financial ratios and market studies in order to make an equityworthy judgment. An outside investor would look at information available at the time he is making a decision to invest. The financial data for the review period and the years following would not yet have been available at the time that the investor had to decide whether or not to invest. We cannot make an analysis that is predicated on hindsight.

BSC makes an inappropriate comparison of its position during the review period with that of several U.S. integrated steel producers. A cross-border comparison of this nature neglects the economic and financial factors that motivate investors. More importantly however, unlike BSC, the U.S. producers did not have a history of continuing losses. In determining whether a company is equityworthy, we examine the company's recent financial history. None of the U.S. producers cited by BSC had any losses during the years immediately preceding 1982. In 1981, all six U.S. producers cited by BSC showed healthy profits, whereas BSC had large losses.

Comment 3: BSC claims that the trade journals and market studies that the Department considered are too general and cannot by themselves support the conclusion that the company was not equityworthy. The studies used by the Department projected the beginning of an upturn in 1984. Therefore, the Department cannot support the conclusion that no reasonable investor would invest in an industry with potentially favorable long-term returns, and in a dramatically improving company, such as BSC.

Department's Position: We do not base an equityworthy decision on any one item of information or any one financial ratio. We look at a composite of available information. Even if the

market studies are too general, they are important to an investor in depicting future trends and in assessing alternative investments.

The studies that BSC cites do project a relative upturn in 1984 for the European Economic Community ("the EC") as a whole. However, the upturn noted for 1984 is relative to the doldrums of 1982 and 1983. While the OECD study projected a small recovery in the EC's steel consumption levels in 1984, it also predicted the worst capacity utilization rate in the world and a continuing downward pressure on prices caused by overcapacity. The Data Resources, Inc., study noted that the EC Commission had projected a flat world market for the first part of 1984.

A reasonable investor would consider all this information before making an investment decision. BSC places undue emphasis on financial data available in the latter part of the review period or beyond, and on relatively minor optimistic trends reported in certain trade journals.

Comment 4: BSC contends that the Department committed an error by treating all government equity infusions as countervailable subsidies without considering the uses to which the equity funds were put. Funds used for the company's restructuring efforts and redundancy and closure costs are not countervailable.

Department's Position: Restructuring, redundancy and plant closure funds relieve a firm of significant financial burdens, make it more efficient, and enhance its competitiveness. Such funds unquestionably provided indirect, if not direct, benefits to BSC's manufacture, production or export of steel and are consequently countervailable. The argument that these funds were spent in pursuit of commercially sound goals is irrelevant to the question of whether their receipt constituted a countervailable subsidy.

Comment 5: BSC contends that equity funds used to acquire capital assets taken out of use before the expiration of their useful life cannot be countervailable beyond the year of the assets' retirement. Therefore, the 15-year allocation period for funds associated with a retired asset is inappropriate.

Department's Position: BSC confuses the benefit conferred by the use of the asset with the benefit conferred by the subsidy used to acquire the asset. Although a company does not continue to benefit from the use of an asset after its retirement, the benefit from the subsidy does not cease. After retirement of its assets, BSC did not repay to the government funds used to acquire those assets and had no obligation to repay them. Therefore, BSC continued to benefit from the subsidy.

Comment 6: BSC claims that the Department's continued use of the 15-year valuation methodology in the preliminary results, despite the rejection of this methodology by the Court of International Trade ("the CIT"), is a "flagrant assault on the Court's order." It is incorrect to allocate benefits from equity infusions over the average useful life of physical assets in the steel industry. Instead, the Department should rely on generally accepted accounting principles and the uses to which the funds are put.

Department's Position: The CIT's decision, in *British Steel Corp. v. United States*, 632 F. Supp. 59, Slip Op. 86–37 (March 31, 1986) ("British Steel II"), is not final. It is, therefore, only binding in the pending court action and any remand of that action.

However, mindful of the opinion in *British Steel II*, we have considered various periods over which benefits from nonrecurring subsidies, such as an equity infusion or a grant, should be allocated. We have concluded that there are no economic, financial, or accounting rules that mandate the choice of an allocation period. This is because the long-term commercial and competitive benefit of an equity infusion or grant cannot be measured *with precision*.

Regardless of the particular uses to which the British government's equity infusions into BSC were put, it is clear that these funds provide long-term benefits, bolstering all phases and aspects of the company's production and prolonging its viability for an indefinite period. If the funds are used to purchase a piece of capital equipment, for example, benefits arise as long as that equipment produces output. Also, the profit earned on the sale of that output can be reinvested, extending the benefits beyond the original equipment. Furthermore, when the original equipment is worn out, it can be sold as scrap and the proceeds reinvested. Viewed in this way, the initial funds will benefit the company as long as the company exists, perhaps for infinity.

Despite this, we cannot allocate the benefit from the date of receipt to infinity. An allocation period of infinity would result in no measurable benefit in any one year. Consequently, it is necessary to truncate this infinite stream of benefits at some point, thereby defining an allocation period.

The major allocation methods that we have considered include: a single fixed allocation period for all cases, the average life of long-term debt for the company receiving the subsidy, and the average useful life of assets in the industry.

The first allocation method—a single fixed allocation period for all cases (such as 10 years)—would be readily administrable and would provide consistency and predictability. It accomplishes the goal of truncating the benefit stream. However, we have rejected the random choice of a number because it is arbitrary and capricious. Also, because a fixed allocation period does not take into account differences in industries, it does not measure the impact of a subsidy on the long-term activity of a company.

The second allocation method, the average life of long-term debt, is based on the premise that long-term debt is the most likely alternative source of funds absent the subsidy. However, as we noted in the Subsidies Appendix, "[i]t does not help to hypothesize how the company would have raised the funds absent the [subsidy]. Firms raise money primarily through sales, secondarily through debt, equity, and non-operating income." By assuming that the alternative source of funds is long-term debt, we would be arbitrarily eliminating the other sources of funds. Although it is relatively easy to attach a maturity date to debt instruments, there is no absolute rule that a rational firm would increase its debt before attempting to promote sales, issue new stock, or raise its non-operating income (such as through the sale of fixed assets). In fact, in the absence of the subsidy, there is no reason to assume that the firm would have done anything at all to "replace" the benefits from the subsidy; it is just as likely that the firm would have done without the benefit and continued business as usual.

Long-term loans are normally associated with specific projects or specific capital assets. Because the cost of capital on long-term debt is often measured against returns from very discrete portions of a firm's overall activity, the average life of that debt is the antithesis of the benefit stream that we are trying to capture. We have repeatedly noted that equity infusions cannot be tied to specific operations of a company (*see, e.g.*, our positions on Comments 4 and 5). Regardless of the uses of increased equity, a company receives a host of benefits in the form of relief from other financial burdens that affect the whole company. There is no connection between the life of a benefit from an equity infusion, which affects all aspects of a firm's activity, and the average life of long-term debt, which is

associated with only specific assets or specific projects.

Furthermore, there are a number of practical difficulties associated with the average life of long-term debt as an allocation measure. Firms do not raise long-term capital routinely or consistently. It is very likely that a firm would not have taken out any long-term loans in the year than an equity infusion occurred. In that case, we would have to decide how far into the past to go—whether it be five years, ten, or even twenty. We could also examine the period after the year of the infusion, but again we would have the problem of determining how far into the future would be appropriate. We might have to determine how many loans to include in our average—whether, for example, there should be a minimum number. We might need to determine whether there is a representative sample of loans from a cross-section of the firm's activities. If we found no long-term debt at all (a likely prospect in many hyper-inflationary economies), we might have to ascertain a national average long-term debt life, a statistic that would not be available in many countries (we are unable to locate such information even for the United States).

Assuming that we solved all of these problems, the average life of long-term debt will still vary greatly among companies and countries, so that its use as an allocation period would lead to wildly inconsistent results. There would be no way of knowing the average life of long-term debt before conducting a thorough investigation. The Department must be able to advise foreign governments and companies how far back in time they must go when reporting potentially countervailable practices. Parties considering filing a countervaling duty petition alleging past grants, or equity infusions on terms inconsistent with commercial considerations, would also be disadvantaged in that they could not know whether the allocation period would be long enough to capture any benefit from those practices in the period of investigation.

Given that this approach bears no particular relation to the commercial and competitive benefits of the subsidy, and considering all of these problems, it is difficult to justify the choice of the average life of long-term debt as the most appropriate allocation method.

The third allocation method, the average useful life of assets in the industry, avoids the shortcomings of the other approaches, while providing consistency, administrability, and predictability. This method provides for consistent treatment among different companies and countries, while at the same time allowing for differences in industries. With regard to administrability, it makes the collection and analysis of information easier for the Department. It also lets petitioners and respondents know the period over which countervailable grants and equity infusions will be considered to confer benefits.

The average useful life of physical assets is an estimate of the duration of the benefit a firm will obtain from an asset. The U.S. Internal Revenue Service ("IRS") tables approximate the most appropriate period over which to measure the benefit from all physical assets used in the industry. It is, therefore, superior to the average life of long-term debt, which would be biased towards specific assets and specific projects. Equity infusions and grants benefit a firms's overall activity.

The average useful life of assets as a measure of the benefit stream is arbitrary only to the extent that there does not seem to be any precise measure of the duration of the benefit stream from an equity infusion. However, our decision to use it as an allocation method is not arbitrary. We believe that the average life of physical assets is a reasonable measure of the duration of the benefit to a firm's overall activity. Finally, we believe that the use of the IRS tables is appropriate because the useful life of physical assets within the same industry does not vary greatly from country to country. Moreover, the IRS tables provide a single standard to which all interested parties can refer.

Comment 7: BSC claims that the Department's conclusion that the company was uncreditworthy during the review period is erroneous because it had certain strong financial ratios at that time. The Department is self-contradictory in finding the net worth to long-term debt ratio to be "poor" in its creditworthiness discussion, but "adequate" in its equityworthiness discussion.

Department's Positions: As with our equityworthy decisions, we look at a composite of ratios when making creditworthy decisions. The composite of ratios differs for the two types of decisions. Where a ratio may be adequate in an equityworthy decision, it may be inadequate in a creditworthy decision. To decide whether BSC was creditworthy during the review period, we analyzed short-term liquidity and long-term solvency ratios. The ratio that titled our decision toward uncreditworthiness was the times interest earned ratio. This ratio measures the security of the return offered to bondholders and creditors. Often the return to a company's creditors in considered secure if the company consistently earns its interest charges two or more times each year. BSC did not meet this criterion during the review period. The company had consistent negative times interest earned ratios since 1970/80, despite the large loan forgiveness by the British government in 1981. Therefore, the security of the return to creditors was in doubt.

Comment 8: BSC objects to the Department's valuation of the loan forgiveness by the British government in 1981. The methodology is flawed for two reasons. First, the Department used the 15-year valuation methodology which, according to the CIT, is contrary to law. According to generally accepted accounting principles, the extinguishment of indebtedness is realized exclusively in the year of receipt. Second, if the benefit is to be amortized, the Department's use of the 1981 corporate bond rate as the discount rate is erroneous. The proper value of the benefit is the actual rate of interest BSC was liable for on the existing loans, not the interest rate prevailing in the year of forgiveness. For this reason, the Department should recalculate the benefits from the 1981 loan forgiveness in accordance with the actual repayment schedules of the loans forgiven.

Department's Position: BSC ignores the fact that the 1981 debt forgiveness was actually a debt conversion. The conversion of debt to equity is analogous to an equity infusion. By using BSC's method, we would be ignoring part of the overall benefit: concomitant with the forgiveness of debt, the company acquired new equity investment. By treating the debt conversion as only an extinguishment of indebtedness and expensing it in the year of receipt, we would be ignoring the totality of economic effects and consequences of the debt conversion. Debt conversion affects a company's prospects in ways that extend beyond simply relieving it of making certain loan repayments. For example, after the loan is forgiven, the company's debt level drops and its debt/equity ratio improves. The company can now more easily contract debt; it is suddenly a more attractive investment. In effect, a new company has been created.

Since the benefit is to be amortized to capture the totality of the commercial and competitive benefit to BSC, the appropriate discount rate must come from 1981, the year in which the equity infusion occurred. In accordance with our equity methodology as outlined in the Subsidies Appendix, we treated this equity infusion in exactly the same

manner as we treated PDC and NC infusions. Since the loans were converted in 1981, it is appropriate and reasonable to use the 1981 corporate bond rate as the cost of obtaining new capital in that same period. Our methodology recognizes that the financial conditions prevailing at the time the loan is converted are more important than those in effect when the loan was granted, and that the benefit stream resulting from the loan conversion should resemble that resulting from an equity infusion rather than being determined by the number of years left in the loan repayment schedule or the actual rate of interest BSC was liable for on the converted loans.

Our approach will not necessarily lead to higher countervailable benefits than those associated with BSC's suggested approach. Our equity methodology only produces a countervailable benefit in years where we find a rate of return shortfall. *See,* the Subsidies Appendix.

Final Results of Review

After considering all of the comments received, we determine the net subsidy during the period of review to be 30.11 percent *ad valorem.*

The Department will instruct the Customs Service to assess countervailing duties of 30.11 percent of the f.o.b. invoice price on any shipments of U.K. stainless steel plate entered, or withdrawn from warehouse, for consumption on or after February 10, 1983, and exported on or before March 31, 1984.

Further, because we have revoked this order (51 FR 29144, August 14, 1986) effective March 1, 1986, we will not instruct the Customs Service to collect a cash deposit of estimated countervailing duties, as provided by section 751(a)(1) of the Tariff Act.

This administrative review and notice are in accordance with section 751(a)(1) of the Tariff Act (19 U.S.C. 1675(a)(1)) and § 355.10 of the Commerce Regulations (19 CFR 355.10).

Dated: December 4, 1986.

Gilbert B. Kaplan,

Deputy Assistant Secretary, Import Administration.

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[Case No. OEE-4-86]

George Lartides et al.; Order Temporarily Denying Export Privileges

In the matter of George Lartides, individually and doing business as Stamatiou & Lartides Ltd., with addresses at Ellis 3 Strovolos, Nicosia, Cyprus, and, c/o Stamatiou & Lartides Ltd., P.O. Box 1604, 22 Ionos Street, Nicosia, Cyprus, and, MIS Services Ltd., P.O. Box 5130, 27 Akamas Street, Nicosia, Cyprus; Respondents.

The Office of Export Enforcement, International Trade Administration, United States Department of Commerce (Department), pursuant to the provisions of § 388.19 of the Export Administration Regulations, 15 CFR Parts 368–399 (1986) (the Regulations), issued pursuant to the Export Administration Act of 1979, 50 U.S.C. app. 2401–2420 (1982), as amended by the Export Administration Amendments Act of 1985, Pub. L. 99–64, 99 Stat. 120 (July 12, 1985) (the Act), has asked the Deputy Assistant Secretary for Export Enforcement to issue an order temporarily denying all United States export privileges to respondents George Lartides,[1] individually and doing business as Stamatiou & Lartides Ltd. (S&L), and MIS Services Ltd. (hereinafter collectively referred to as respondents). All respondents reside or are located in Nicosia, Cyprus.

The Department states that, as a result of an ongoing investigation, it has reason to believe that respondents have (1) engaged in the unauthorized reexport of U.S.-origin commodities, including computer equipment, from Cyprus to proscribed destinations, including the Soviet Union, and (2) indirectly caused the filing of false and misleading information with the Department for the purpose of effecting reexports from Western Europe to Cyprus and through Cyprus to proscribed destinations.

The Department further states that it has reason to believe that the respondents are continuing in their efforts to obtain U.S.-origin goods for diversion from Cyprus to proscribed destinations by misrepresenting the ultimate destination of the goods to be purchased. If the respondents are successful in their continuing efforts to acquire U.S.-origin goods, the Department states that there is reason to believe respondents would again attempt to reexport them to proscribed destinations without obtaining the required authorization from the Department.

The Department states that its investigation gives it reason to believe that the violations under investigations were deliberate, covert and likely to occur again. The Department submits that a temporarily denial order naming respondents is necessary in order to give notice to companies in the United States and abroad to cease dealing with respondents in goods and technical data subject to the Act and the Regulations in order to reduce the likelihood that respondents will continue to engage in activities which are in violation of the Act and the Regulations. Furthermore, the Department has represented that Data Services Ltd., Globetime Commercial Services Ltd., Officeworld Business Systems Ltd. and Computer Manufacturers Ltd. are parties related to at least one of the respondents in the conduct of trade or related services and should also be temporarily denied export privileges to prevent evasion of this order. All related parties are located in Nicosia, Cyprus.

Based upon the showing made by the Department, I find that an order temporarily denying all United States export privileges to respondents and to parties related to them is necessary in the public interest to prevent an imminent violation of the Act and the Regulations.

Accordingly, it is hereby Ordered:

I. All outstanding individual validated export licenses in which any respondent appears or participates, in any manner or capacity, are hereby revoked and shall be returned forthwith to the Office of Export Licensing for cancellation. Further, all of respondents' privileges of particiating, in any manner or capacity, in any special licensing procedure, including, but not limited to, distribution licenses, are hereby revoked.

II. The respondents, their successors or assignees, officers, partners, representatives, agents, and employees hereby are denied all privileges of participating, directly or indirectly, in any manner or capacity, in any transaction involving commodities or technical data exported or to be exported from the United States in whole or in part, or that are otherwise subject to the Regulations. Without limiting the generality of the foregoing, participation, either in the United States or abroad, shall include participation, directly or indirectly, in any manner or capacity: (a) As a party or as a representative of a party to any export license application submitted to the Department, (b) in preparing or filing with the Department any export license application or reexport authorization, or any document to be submitted therewith, (c) in obtaining or using any validated or general export license or other export control document, (d) in carrying on negotiations with respect to, or in receiving, ordering, buying, selling, delivering, storing, using, or disposing of, in whole or in part, any commodities or technical data exported from the United States, or to be exported, and (e) in

[1] "George" Lartides is also known as "Georgios" Lartides.